



ARIZONA DEPARTMENT OF WEIGHTS AND MEASURES

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www.azdwm.gov

August 27, 2004

To Department Stakeholders:

Re: Enhanced Price Verification Program

The Department has had an active Price Verification Inspection Program since the Package Pricing Law went into effect on July 17, 1993. The Department has released the UPC Price Verification results to the media each November since the year 2000. The compliance rate for the retail community in the state has been less than stellar since Arizona took part in the national survey conducted by the National Institute of Standards and Technology (NIST) in 1998. Arizona finished third worst in the NIST survey of 37 states and 4 foreign territories. The Department has established programs such as corporate education and no-risk educational walk through inspections at individual retail outlets. Still, the latest compliance rates show 47% of the retail outlets inspected fail to achieve the standard set forth in a NIST nationally recognized handbook.

Even though the Department has had the opinion that undercharges adversely affect the retailer's bottom line and eventually pass that lack of profit margin on to the consumer, we have heard you. Arizona's retail community has stated over and over that undercharges do not harm the public. Thus, the new program will only list undercharges as a service to the retailer and will not count toward the compliance rate. We feel this is a major concession! We have also heard from industry that the Department does not follow up with 30-day reinspections in a timely fashion. Therefore, we will reinspect a non-compliant establishment after six (6) calendar days. The failure of a first reinspection will result in a civil penalty. Subsequent failures will be re-inspected the next business day. The progressive penalty system is spelled out in the Arizona Administrative Code R20-2-104 (I) & (J). This new program will be in effect as of September 20, 2004.

We are asking for a new commitment from you to make the UPC scanning program equitable for industry and non-detrimental to the public. Corporate Education and no-risk educational walk-through inspections are part of the Department's compliance tool kit and are still available. Retailers that have recognized challenges in achieving and or maintaining compliance are encouraged to request assistance from the Department. If I can be of assistance do not hesitate to call me at (623) 463-9935 or via e-mail at amacias@azdwm.gov.

Sincerely,

A handwritten signature in black ink that reads "J. Art Macias, Jr." in a cursive style.

J. Art Macias, Jr.
Director